

amount of money. Maybe it is to some people in some places, but it is certainly not for us people, for the Iowa farmer.

To offer a different perspective, let's consider this year's appropriations bills. The Democratic leadership wants to spend \$23 billion more than the President's budget on appropriations. That same group is preparing to force a showdown with the President over that \$23 billion. That is one-fourth of the amount I am talking about here. So when it comes to spending, extra dollars do count, but extra revenue from lower levels of taxation is to be belittled no matter what the number might be. It just sounds so inconsistent.

My excitable colleagues here in the Senate are not the only ones who predicted gloom and doom that never came because of the tax relief in August of 2003. Even the Congressional Budget Office published a document titled "The Budget and Economic Outlook: An Update." The bill reducing rates on capital gains and dividends had become law at the end of May, so the Congressional Budget Office was able to take tax relief into account as they conjured their budget projections. This chart right here illustrates the discrepancy between what was forecast by the Congressional Budget Office in the summer of 2003 and what actually transpired. You can see the red line actual figure is way above the blue line that was suggested by the Congressional Budget Office.

In August of 2003, the Congressional Budget Office projected that the Federal Government would collect about \$1,770 billion in revenue. According to the historical budget data—also from the CBO—revenue in 2003 was actually about \$1,783 billion. That difference is \$13 billion. Now, \$13 billion may be peanuts to some people, but I think it is a good start.

In August 2003, the Congressional Budget Office projected Federal revenues for 2003 to be \$2,276 billion. Actually in 2003, Federal revenues were about \$2,407 billion. The Federal Government collected, then, \$131 billion more in 2006 than was originally forecast in the dark days of 2003, when several of my Democratic colleagues thought that tax relief was poised to destroy our tax base. Revenues actually collected were higher than projected when considered as a percentage of gross domestic product.

In August 2003, CBO projected that revenues in 2006 would be 18.2 percent of GDP. Actual revenues collected in 2006 were more than that—at 18.4 percent compared to 18.2 percent of GDP. In 2005, they were 17.6 percent; in 2004, they were 16.3 percent; and in 2003, they were 16.5 percent. After a small downturn in 2004, Federal revenues, taken in proportion, increased faster than the GDP.

Speaking of its 2007 projection, in an October 2007 monthly budget revenue, CBO states:

Revenues rose to 18.8 percent of GDP, which is slightly higher than the average of 18.2 percent over the past 40 years.

Even with lower taxes, the Federal Government is collecting, on average, a greater percentage of GDP in revenue year by year than it has over the past four decades.

Incidentally, in 2003, CBO projected that revenues would equal 18.3 percent of GDP in 2007.

Next, I want to compare the 4-year period after the 2003 tax relief plan went into effect with the 4-year period after the tax increases were enacted in the Clinton first year, 1993.

The Omnibus Budget Reconciliation Act of 1993, signed into law by the President in August of that year, increased taxes on corporations and individuals while increasing taxes on gasoline and raising the taxable portion of Social Security benefits.

I think this may be counterintuitive to some people, especially to those who believe that the well-being of our Nation is directly proportional to our ability to seize income from taxpayers, but as a percentage of GDP, Federal revenues increased faster after tax relief than they did after tax increases.

To set the stage, in 1993, Federal revenues were 17.5 percent of gross domestic product. In 2003, Federal revenues were a percent less at 16.5 percent of GDP.

By the way, all of these numbers are Congressional Budget Office numbers, and until I get to 2007, they are not projections.

If you look at this chart we are now putting up, you can see that as a percentage of GDP, Federal revenues increased faster in the 4 years after the 2003 tax relief than they did after the 1993 tax increase. Let me emphasize that. Revenues came in faster after we decreased taxes in 2003 than they did after 1993 when we increased the taxes.

For 1997, Federal revenues were 19.3 percent of GDP. Between 1993 and 1997, Federal revenues increased by 1.8 percent of GDP.

Now, in 2007, Federal revenues are projected by the Congressional Budget Office to be 18.8 percent of GDP. If this is the case, then over the past 4 years, Federal revenues will have increased by 2.3 percent, and 1.8 percent subtracted from that 2.3 percent leaves one-half of a percent. The tax relief enacted in 2003 grew Federal revenues by one-half of a percentage point more than the tax hikes of 1993 in the 4 years following each.

I like to emphasize this because I think that it just—too many people see it as common sense that if you raise tax rates, you are going to bring in more revenue; if you lower tax rates, you are going to bring in less revenue. But I just showed that tax increases under Clinton did not bring in as much revenue as tax decreases in this administration. They brought in more revenue. So I would like to disabuse people of the fact that increasing rates brings in more revenue and decreasing rates brings in less revenue.

What is also important is that as a percentage of GDP, revenues were higher in 1997 than they will be this year. In my opinion, they were too high.

The point that I am making is that the rate of change in revenues as a percentage of GDP has so far been greater after tax relief than after a tax hike. I think it is very important, especially for those who reflexively believe that the only way for the Federal Government to raise more money is to confiscate more income from taxpayers. Clearly, that view is false.

To conclude, let me summarize the current budget situation.

Right now, taxes are lower than they would have been under Democratic rule. I want to make it clear that I am not saying that no Democrats supported any tax relief. Some Democrats voted for the 2003 tax relief plan, and many more voted for the 2000 tax relief plan. However, I am skeptical that a Democratic Congress or White House would have allowed taxpayers to keep so much of their own money.

The budget deficit is shrinking, and Federal revenues are increasing. Anyone who finds fault with this situation is determined to do nothing but simply find fault. They would probably be unable to enjoy a sunny day because they would constantly be on the lookout for storm clouds regardless of what the forecast said. There is a problem with debt and with Federal budget deficits, but tax increases are the wrong way to approach that problem.

We have a Federal budget deficit because the Federal Government spends too much money, and the best way to get rid of deficits is to spend less. Consequently, raising taxes makes the situation worse by punishing the overall economy and making conditions more difficult for the economy—the source of Federal revenues—to function efficiently. We have to remember that our economy supports the Government and not the other way around. The budget data I have discussed today shows how we can increase revenues and reduce deficits by removing impediments to economic efficiency and allowing our economy to flourish.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SALAZAR.) The clerk will call the roll. The legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Mr. President, I appreciate everyone's patience. The Republican leader and I have been doing our best. Sometimes it is tough to work through the process.

UNANIMOUS CONSENT AGREEMENT—CONFERENCE REPORT TO ACCOMPANY H.R. 3043

Mr. REID. Mr. President, I ask unanimous consent that tomorrow following

the joint meeting, when we will hear the President of France speak, the Senate proceed to the consideration of the conference report on H.R. 3043, the Labor-HHS appropriations bill, if it has been received from the House; that there be 1 hour for debate divided equally among Senators HARKIN, REED of Rhode Island, SPECTER, and HUTCHISON, and 2 hours for debate under the control of the two leaders or their designees; that following the use or yielding back of time, Senator HUTCHISON be recognized to make a rule XXVIII scope point of order; that Senator HARKIN be recognized to waive rule XXVIII, and the Senate then proceed to debate the motion as under the provisions of rule XXVIII; that if the point of order is sustained, Senator COBURN be recognized to move to suspend the rules, provided it had been timely filed; that there then be 30 minutes for debate equally divided in the usual form; that at the conclusion or yielding back of time, the Senate vote, without any intervening action, on his motion to suspend the rules; that if the motion to suspend is adopted, Senator COBURN's amendment be agreed to and the Senate proceed to concur as stated below; that if his motion fails, then the Senate, without any intervening action or debate, vote immediately on the motion to recede and concur with the further amendment as under the rule; that if the motion to waive is successful, the Senate then vote on Thursday, November 8, on cloture on the conference report as if it had been filed on Tuesday, November 6.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### MORNING BUSINESS

##### REAL ID ACT

Mr. LEAHY. Mr. President, when the REAL ID Act was added to an emergency supplemental spending bill in 2005, with little debate or foresight, I believed that Congress had made a mistake. I was not alone, and since that time 38 States have either introduced or passed legislation opposing the law. Seventeen States have enacted laws in opposition. I have joined Senators AKAKA, SUNUNU, TESTER, BAUCUS, and ALEXANDER in introducing legislation to repeal the driver's license provisions of the law and to replace them with the negotiated rulemaking process that had been originally enacted in the 2004 Intelligence Reform and Terrorist Prevention Act. That bill, which REAL ID superseded, was intended to improve the security of State driver's licenses through a cooperative partnership with the States and the private sector.

The Judiciary Committee held a hearing on May 8 of this year to examine whether the REAL ID Act is actually an effective way to improve our security. I agreed with many at the hearing who argued that the REAL ID Act was not an effective way to improve

identity security, and the sacrifices Americans would be compelled to make in their personal privacy were unacceptable. All agreed more could and should be done to ensure the integrity of identification documents, but many cautioned that the REAL ID Act is not the most effective way to do it.

Opposition to the REAL ID Act has been bipartisan and widespread among the States and many Federal lawmakers. In addition to the enormous financial burdens placed on the States, the law raises serious privacy concerns about the Federal Government's interference in a responsibility traditionally left to the State. Proponents of the law proclaim it is not a national ID card. But when the Federal Government begins directing how a State driver's license is issued, what characteristics the card must have, and conditioning access to Federal buildings and airplanes on possession of a REAL ID card, it is difficult to think this is anything but the first, big step toward a national identification card that so many Americans oppose.

But the reality of the dissatisfaction among the American people is catching up with the administration. The Washington Post recently reported that Secretary Chertoff is expected to announce yet another delay for REAL ID's implementation deadline. Secretary Chertoff previously waived the May 2008 compliance deadline and set a new target of 2013 for nationwide compliance. Now Secretary Chertoff will reportedly extend this date to 2018 for drivers who are older than 40 or 50, and officials have said the Government will not bar those not possessing a REAL ID license from Federal facilities and airplanes.

Despite being faced with determined opposition from the States and many Members of Congress, the administration still refuses to reconsider implementation of the law and is ignoring the pleas of the States. Without buy-in from the States and the American people, this program is doomed to failure. Delaying the inevitable by pushing back deadlines is not the way we will improve identity security. Had the negotiated rulemaking provisions enacted in the 2004 Intelligence Reform and Terrorist Prevention Act been left intact, meaningful identity security improvements could already be underway. Unfortunately, instead of addressing the fundamental problems this law poses for the States, the administration appears content merely to prolong a contentious and unproductive battle to force the States to comply. Rather than improved security, this course will result in resentment, litigation, and enormous costs that States will be forced to absorb. The administration would do much better to treat the States as partners and forgo the paternalistic mandates that the American people are rejecting. That spirit of cooperation would result in much greater security than the administration's go-it-alone strategy to force compliance with another ill-conceived policy.

Like the Western Hemisphere Travel Initiative, the REAL ID Act represents precisely the big-government interference the President's party claims to dislike. The American people are demanding that the Federal Government take a second look at the wisdom of charging ahead with a national ID card, and the administration ought to listen carefully to what many have been saying since this law was enacted, before more time is wasted trying to force this unpopular and cumbersome law on the citizens of the United States. I welcome all Senators to join me and the other cosponsors of S. 717 in rejecting the burdensome mandates of REAL ID and advocating for a better system of securing our fundamental identification documents.

#### HATE CRIMES, BIGOTRY AND ANTI-SEMITISM

Mr. SMITH. Mr. President, today I attended a hearing of the Helsinki Commission on the increase in anti-Semitism and extremist political parties in Europe.

I take a deep interest in hate crimes, bigotry, and anti-Semitism. In our society, these issues are mostly restricted to the political fringe. Nobody in this country would gain widespread electoral support for the formation of an explicitly racist party. We are perhaps unique in that respect. In Europe, these parties are not only formed—they are prospering.

Today's hearing did much to highlight the rise of bigotry and discrimination in Europe. A number of experienced witnesses from the U.N., executive branch, and nonprofit sector described the political situation in Europe today, and it is alarming. Across the continent, extremist groups are parading openly and gaining support. In Russia, two thousand supporters of a fascist organization rallied on November 4, the country's National Day, to shout xenophobic and anti-Semitic slogans. Many gave the Hitler salute. This in Russia, which suffered more from the aggression of Nazism than perhaps any other nation in the world.

In Hungary last month, 600 people were sworn in as new members of the extremist, paramilitary "Hungarian Guard," wearing uniforms similar to those of the World War II fascist government. By its own account, the Guard has thousands of applications to join its ranks, at a time when the elected Hungarian government is already unpopular because of its previous deceptive election campaign. This criticism led to widespread street violence last year, creating a tense environment ripe for radicalization. The Hungarian Guard is supported by the rightwing political party Jobbik, which is small but virulent. The Prime Minister of Hungary likened the formation of the Hungarian Guard to the increasing influence of Brownshirts in Hitler's Germany, a comparison which seems to me—at least at an early stage—to be